

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-201-C - ORDER NO. 2000-660
AUGUST 15, 2000

IN RE:	Application of Metromedia Fiber Network)	
	Services, Inc. for a Certificate of Public)	
	Convenience and Necessity to Provide Local)	
	Exchange Service, and Intrastate)	ORDER <i>vpj</i>
	Interexchange Facilities-Based and Resold)	GRANTING
	Telecommunications Services, for Alternative)	CERTIFICATE
	Regulation of its Interexchange Services and)	
	for Flexible Regulation of its Local Exchange)	
	Services.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Metromedia Fiber Network Services, Incorporated ("MFNS" or the "Company") for authority to provide local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Application was filed pursuant to S.C. Code Ann. §§58-9-280 and 58-9-520 (Supp. 1999) and the rules and regulations of the Commission.

By letter, the Commission's Executive Director instructed MFNS to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner

and time in which to file the appropriate pleadings for participation in the proceedings. The Applicant complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on June 30, 2000.

On July 19, 2000, counsel for SCTC filed with the Commission a Stipulation in which the Applicant stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until MFNS provided written notice of its intent prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. MFNS agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on August 2, 2000, at 11:00 a.m. in the Commission's Hearing Room. The Honorable William Saunders, Vice Chairman, presided. MFNS was not represented by counsel. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

John Ambrus, Director of Network Development, appeared and testified in support of the Application. Mr. Ambrus testified MFNS is an alternate access carrier provider and the Company is in the process of entering fifty markets across the United States. As Director of Network Development, Mr. Ambrus is responsible for establishing networks in the southern part

of the United States which includes obtaining franchises and licenses and performing the engineering design and managing the construction for the networks. MFNS has existed since the early 1990s and the Company went public in 1997. The Company has been providing telecommunications services since its inception; initially, the company offered its services in Manhattan and since going public the Company has expanded into other major markets such as Chicago, Boston, and throughout the United States.

MFNS' primary business target is to operate as a carrier's carrier in South Carolina; the Company will serve corporate clients, other telecommunications companies and government agencies. MFNS will provide technologically advanced, high-bandwidth, fiber optic communications infrastructure to communications carriers and corporate and government customers. Carriers can lease telecommunications services from MFNS; however, the Company will not be providing traditional voice services incumbent carriers provide. The infrastructure that MFNS provides and the technology that other telecommunications companies as well as corporations look for is SONET-based technology according to Mr. Ambrus. This technology requires a ring-type infrastructure which provides redundancy in case there are problems in one area of the network so if a cable is cut, this technology allows the traffic to be rerouted so companies do not have service interruptions. The Company has installed SONET rings in Boston, Texas, New York, Connecticut, and California. MFNS has capacity and infrastructure that connects cities. The location of the networks in South Carolina will depend on the strategic direction of the Company and the customers of the Company.

MFNS bills its customers directly and as the Company grows it may outsource its billing services. The Company's name and customer service telephone number appear on MFNS' bills. The Company's customer service department employs two persons from 8:30 a.m. to 5:00 p.m.

Monday through Friday. Customers who call after hours may contact the Company's Network Operations Center which is staffed with eight people, twenty-four hours a day, seven days a week. Mr. Ambrus is the regulatory contact person for the Company.

Mr. Ambrus also addressed the Company's managerial ability to offer telecommunications services in South Carolina. He stated the management team has been with the Company for a substantial amount of time and they provide the overall direction of MFNS. Officers of the Company include the following persons: Stephen A. Garofalo (Chairman and Chief Executive Officer), Nicholas M. Tanzi (President, Chief Operating Officer, and Co-Chairman), Gerard Benedetto (Senior Vice President and Chief Financial Officer) and Charlotte D. Denenberg (Vice President- Chief Technology Officer). The record reveals Mr. Garofalo founded Metromedia Fiber Networks in April 1993 and has been serving as Chairman of the Board since Metromedia Fiber Network's inception and as Chief Executive Officer since October 1996. The record also reveals that Mr. Tanzi served previously as Senior Vice President- Eastern Region; he joined Metromedia Fiber Networks in 1997. Mr. Benedetto is a Certified Public Accountant who previously served as Chief Accounting Officer for Metromedia International Telecommunications, Inc., a subsidiary of Metromedia International Group, from July 1997 to December 1997. Finally, Dr. Denenberg, prior to joining MFNS worked for Southern New England Telephone Company for a period of eleven years.

Regarding the Company's financial ability to offer telecommunications services in South Carolina, Mr. Ambrus testified Bell Atlantic invested approximately a 10% stake in the Company and signed a contract to lease facilities from MFNS – a rather sizable investment for the Company. The Company also recently entered into a contract with Southwestern Bell

Company (SBC) which is also a significant client for MFNS. SBC's lease of MFNS' services involves hundreds of millions of dollars.

MFNS is certified to provide its services in approximately thirty states. The Company is pursuing certification in all fifty states and MFNS is providing its services in between thirteen to fifteen mature markets. MFNS is executing the same fundamental business plan across the nation. MFNS is in good standing in all the states where it is currently providing its services. The Company has never had authority revoked or denied in any state. Furthermore, MFNS has never been fined, sanctioned or the subject of an investigation by a state or federal regulatory body.

The Company also seeks a waiver of 26 S. C. Code Ann. Regs. 103-610 (1976) so that MFNS can maintain its records and books in New York as opposed to South Carolina. Additionally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999) so that the Company can contract with the appropriate incumbent local exchange carrier to incorporate MFNS customer listings in the incumbent local exchange carrier's directory. Finally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 (1976 and Supp. 1999) requiring the filing of operating area maps. The Company agreed to amend its tariff so that the tariff complies with the Commission's rules and regulations and the Company will delete the sections of the tariff that refer to voice services.

Finally, Mr. Ambrus testified MFNS has not provided local or long distance services in South Carolina prior to receiving certification. Additionally, as of the hearing date, MFNS had not marketed its services in South Carolina or received any revenues from the completion of intrastate calls in South Carolina.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. MFNS is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. MFNS is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.

3. MFNS has the managerial, technical, and financial resources to provide the services as described in its Application.

4. The Commission finds that MFNS' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 1999).

5. The Commission finds that MFNS will provide services which will meet the service standards of the Commission.

6. The Commission finds that the provision of local exchange service by MFNS "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to MFNS to provide facilities-based and resold competitive intrastate non-rural local exchange service in South Carolina. The terms of

the Stipulation between MFNS and SCTC are approved, and adopted as a part of this Order.

Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation. In addition, MFNS is granted authority to provide resold and facilities-based intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. MFNS shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. MFNS' local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for MFNS' competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, MFNS' local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of MFNS which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of MFNS including consumer card services, and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to MFNS also.

4. With regard to the interexchange residential service offerings of MFNS, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. MFNS shall not adjust its interexchange residential rates below the approved maximum level without notice to the Commission and to the public. MFNS shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange residential services reflected in the tariff which would be applicable to the general

body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

6. If it has not already done so by the date of issuance of this Order, MFNS shall file its revised maximum long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. MFNS is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

9. MFNS shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If MFNS changes underlying carriers, it shall notify the Commission in writing.

10. With regard to the origination and termination of toll calls within the same LATA, MFNS shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. MFNS shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. This attachment is entitled “Annual Information on South Carolina Operations For Interexchange Carriers and AOS” and consist of two pages.

12. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

MFNS shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

13. MFNS shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

14. By its Application, MFNS requested a waiver of 26 S.C. Code Ann. Regs. 103-610, 103-631, and 103-612.2.3 (1976 and Supp. 1999). The Company request a waiver of 26 S.C. Code Ann. Regs. 103-610 (1976) so it may maintain its records required by the Public Service Commission rules or necessary for the administration thereof, to be kept in New York. The Company also requests a waiver 26 S.C. Code Ann. Regs. 103-631 (Supp. 1999) so that the Company may contract with the ILECs to provide its customers with directory listings as well as

to undertake the distribution of directories. Finally, the Company requests a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 (1976 and Supp. 1999) so that MFNS will not have to file with the Commission a map or maps showing the Company's certificated area and/or exchange service area(s). We grant the Company's request for a waiver of 26 S.C. Code Ann. Regs. 103-610 in regards to maintaining the Company's records in New York, 103-612.2.3 pertaining to the Company filing a map indicating MFNS' service area in South Carolina, and 103-631 regarding the publication of directories (1976 and Supp. 1999). The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

15. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs MFNS to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, MFNS shall contact the 911 Coordinator in each county, as well as the

911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

16. MFNS shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, MFNS shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. Attachment C shall be utilized by the Company to file annual financial information on South Carolina operations. This attachment consists of four pages.


17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'**

COMPANY NAME	FEIN
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ADDRESS	PHONE NUMBER
----------------	---------------------

CITY, STATE, ZIP CODE	FAX NUMBER
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1. **SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$** _____
2. **SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$** _____
3. **RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, 2000 OR FISCAL YEAR:**

Gross Plant in located or allocated to South Carolina operations \$ _____

CWIP located in or allocated to South Carolina operations \$ _____

Land located in or allocated to South Carolina operations \$ _____

Accumulated Depreciation of South Carolina Plant (\$ _____ **)**

Net Rate Base located in or allocated to South Carolina operations \$ _____

4. **PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR:**

LONG TERM DEBT \$ _____

EQUITY \$ _____

5. **PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT** _____ **%.**

6. **CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:**

NAME _____

ADDRESS IF DIFFERENT FROM COMPANY _____

TELEPHONE NUMBER _____

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'

7. **ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).**

NAME OF OFFICER SIGNING FORM (PRINT OR TYPE) _____

SIGNATURE _____

TITLE _____

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).**

ANNUAL REPORT FOR COMPETITIVE LOCAL EXCHANGE CARRIERS

COMPANY NAME: _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

PHONE NUMBER: _____ **FAX NUMBER:** _____

****If any of this information changes, the Commission is to be notified at once****

OFFICERS: PRESIDENT: _____

VICE PRESIDENT: _____

TREASURER: _____

CONTACT PERSON FOR FINANCIAL AND REGULATORY INFORMATION:

NAME: _____

(PLEASE PRINT OR TYPE)

CONTACT'S PHONE: _____

****If this person changes, you must notify the Commission immediately****

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Income Statement
12/31/2000/or Fiscal Year**

<u>Particulars</u>	<u>Current Year-Total Company</u>	<u>Last Year-Total Company</u>	<u>SC Intrastate-Current Year</u>
Revenues			
Operating Revenues			
Operating Expenses			
Access and Billing Expenses and Expenses Related to Resale			
Other Local Interconnection Expenses			
Leases Facilities from Other Carriers			
Communications System Operations			
Sales and Marketing			
Administration and General			
Depreciation and Amortization			
Other			
Total Operating Expenses			
Net Operating Income			
Other Income and Expenses			
Nonoperating Income and Expenses (Net)			
Nonoperating Taxes			
Interest			
Extraordinary Items			
Total Other Income and Expenses (Net)			
Net Income			

Number of South Carolina Access Lines	
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AUGUST 15, 2000

ATTACHMENT C

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending

Particulars	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Assets</u>		
Cash and Cash Equivalents		
Accounts Receivable-Telecommunications		
Accounts Receivable-Other		
Notes Receivable		
Other Receivables		
Materials and Supplies		
Prepays		
Other Current Assets		
Total Current Assets		
<u>Noncurrent Assets</u>		
Investments		
Other Noncurrent		
Deferred Charges		
Total Noncurrent Assets		
<u>Plant Assets</u>		
Telecommunications Plant in Service		
Accumulated Depreciation		
Net Telecommunications Plant in Service		
Other Plant Assets (Net of Depreciation)		
Construction Work in Progress		
Total Plant		
Total Assets		

COMPETITIVE LOCAL EXCHANGE ANNUAL REPORT

Company Name: _____

Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending

<u>Particulars</u>	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Liabilities</u>		
Accounts Payable		
Advanced Billings and Payments		
Customer Deposits		
Long Term Debt-Current Maturities		
Accrued Liabilities		
Other Current Liabilities		
Total Current Liabilities		
<u>LongTerm Debt</u>		
Long Term Debt		
Obligations Under Capital Leases		
Advances From Affiliated Companies		
Other Long Term Debt		
Total Long Term Debt		
<u>Stockholders Equity</u>		
Capital Stock		
Additional Paid in Capital		
Retained Earnings		
Total Stockholders Equity		
Total Liabilities and Stockholders Equity		

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-0201-C

In the Matter of Application of Metromedia)	
Fiber Network Services, Inc. for a)	
Certificate of Public Convenience and)	
Necessity to Provide Local Exchange Service,)	
Exchange Access Service, and Intrastate)	STIPULATION
Interexchange Facilities-based and Resold)	
Telecommunications Services, for)	
Alternative Regulation of its Interexchange)	
Services and for Flexible Regulation of)	
Its Local Exchange Services)	

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Metromedia Fiber Network Services, Inc. ("Metromedia") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Metromedia's Application. SCTC and Metromedia stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Metromedia, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Metromedia stipulates and agrees that any Certificate which may be granted will authorize Metromedia to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Metromedia stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Metromedia stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in rural incumbent LEC's service area, unless and until Metromedia provides such rural incumbent LEC and the Commission with written notice of its intent to do so, at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Metromedia acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Metromedia stipulates and agrees that, if Metromedia gives notice that it intends to service a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State Law within such 30 day period, or (b) the Commission institutes a proceeding of its own, then Metromedia will not provide service to any customer located within the service area in question, without prior and further Commission approval.

6. Metromedia acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the

conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

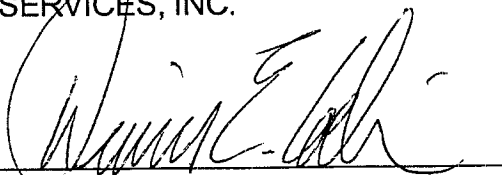
7. The parties stipulate and agree that all rights under Federal and State law are reserved to each of the rural incumbent LECs and to Metromedia, and this Stipulation in no way waives, suspends, or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Metromedia agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Metromedia hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

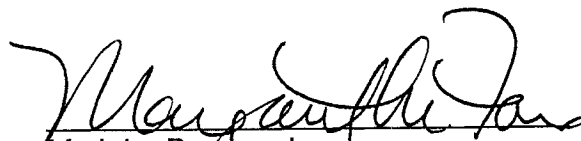
AGREED AND STIPULATED to this 19th day of July, 2000.

METROMEDIA FIBER NETWORK
SERVICES, INC.



Dennis E. Codlin
Vice President – Legal Affairs
METROMEDIA FIBER NETWORK
SERVICES, INC.
360 Hamilton Avenue
White Plains, NY 10601
Telephone: (914) 421-6708

SOUTH CAROLINA TELEPHONE
COALITION



M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
P.O. Box 11390
Columbia, South Carolina 29211
Telephone: (803) 799-9800

Attorneys for the South Carolina
Telephone Coalition

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-0201-C

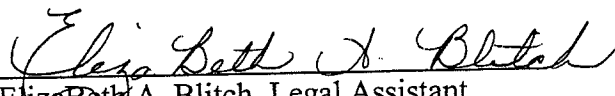
JUL 19 2000
RECEIVED

Re: Application of Metromedia Fiber Network Service,)
Inc. for a Certificate of Public Convenience and)
Necessity to Operate as a Provider of Facilities-)
based and Resold Local Exchange, Exchange Access,)
and Interexchange Telecommunications Services in)
the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Karen Nations, Esquire
Metromedia Fiber Network Services, Inc.
One Meadowlands Plaza
East Rutherford, New Jersey 07073.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

July 19, 2000

Columbia, South Carolina